

The crisis of 1998 in Russia: Political intervention and its implications

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Abstract

In this paper the role of the Russian government in overcoming the crisis of 1998 is considered. The changes adopted by Russian authorities after the whole government, including the head of the Central Bank and the head of Russian government, was changed had a vital role on the recovery of the economy after the crash. Further, the most important shifts, which were undertaken in order to improve the situation, including the transition to the free exchange rate of ruble, the change of monetary control, changes made in the budget policy and the commencement of price control will be analyzed. However, the work will not be limited just to the analyses of the responses of the Russian government to the crisis, but will also cover their premises and long-term effect.

Keywords

Budget policy, Floating currency, Monetary control, Price control